

SENIOR AND LONG TERM CARE DIVISION
DIRECT CARE WORKER FUNDING
Medicaid Community Support Services
State Fiscal Year 2015
EXPLANATION AND INSTRUCTIONS

Intent: The 2013 Montana legislature authorized the Department of Public Health and Human Services (Department) funding under House Bill 2 to allow for wage increases or lump sum payments to workers who provide direct care services to Medicaid recipients. Funds in the Direct Care Worker Funding may be used to 1) provide lump-sum payments (i.e. Bonuses, Stipend, etc.) to workers who provide Medicaid direct care services and/or 2) raise direct care worker wages and ancillary benefits.

Direct Care Worker Definition: A direct care worker for this distribution is defined as: a worker who provides Medicaid agency-based community first choice/personal assistance (AB- CFC/PAS), self-direct community first choice/personal assistance (SD-CFC/PAS), home and community based personal assistance (HCBS-PAS), Big Sky Bonanza community supports (BSB), specially trained attendants (STA), homemaker (HM), respite (RE), supported living (SL), and group homes (GH). The direct care worker service definition does not include program managers, administrative staff, management staff, schedulers, nurse supervisors or case managers.

Distribution Methodology: The Department will pay Medicaid personal assistance and home and community based service providers (providers) who submit an approved application a lump-sum distribution in the form of a gross adjustment. The Department will determine the amount of the lump sum distribution to be paid at 6 month intervals, commencing October 2014, and again January 2015. This amount will be in addition to the negotiated rate that is established for each provider.

Each provider’s distribution will be computed by dividing the total appropriation of approximately \$1,013,909 multiplied by the provider’s portion of total projected Medicaid direct care services for FY 2014. The provider’s annual allocation will be divided in two equal halves and that amount will be distributed in two phases, in October 2014 and January 2015 or in a month thereafter as negotiated with the Department. Each provider will receive information on their total allocation as provided in the enclosed FY 2015 Direct Care Worker Provider Allocation Summary. The amount of the lump sum payment that the Department determines payable to each provider as specified in this paragraph will be final. No adjustments will be made in the lump-sum payment amount to account for subsequent changes or adjustments in utilization data or for any other purpose, except that amounts paid are subject to recovery if the provider fails to maintain the required records or spends the funds in a manner other than specified in the request.

Request for Funding: To receive Direct Care Worker Funding, a provider agency must submit the attached application for Department approval. The application includes four parts: Part A: Summary for Direct Care Worker Funding, Part B: Provider Distribution, Notification and Monitoring Plan, Part C: Supplemental Form and a Survey related to background checks. The first three sections are provided in excel documents and the questionnaire is provided as a word document. Part A includes the providers plan to distribute the equal halves of the allocation in two phases. The provider can participate in one or both parts of this distribution up to the level of funding provided. Part A(1), will be completed to account for the lump-sum funding distributed directly to workers from July 1, 2014-December 31, 2014. Part A(2), will be completed to account for the lump-sum funding distributed to workers from January 1, 2015-June 30, 2015. Part A (3) should be completed if the provider plans to distribute a wage increase. The provider must submit all of the information required in the attached application in order to receive Direct Care Worker Funding. Each provider **must complete and submit this application to the Department on or before Friday, October 3, 2014** and sign the Medicaid Provider Certification Agreement (see below). If the Department does not approve a request, it will return the request to the provider with a statement of the reason for disapproval. The provider will then have a limited time within which to provide justification for its proposed use of the funds. Regardless of whether the cost of a proposal approved by the Department exceeds the amount of funds payable to that provider, the Department will not be obligated to and will not reimburse the provider any more than the provider’s share of the available funding.

Non-Participation: A provider that does not submit a qualifying application for use of the funds distributed under this program as requested by the Department within the time established by the Department, or a provider that does not wish to participate in this additional funding amount, shall not be entitled to their share of the funds. The Department will not make lump-sum distributions for any nonparticipating or non-qualifying provider.

Records and Documentation: A provider that receives funds under this initiative must maintain appropriate records documenting the expenditure of the funds. This documentation must be maintained and made available to authorized governmental entities and their agents to the same extent as other required records and documentation under applicable Medicaid record requirements, including but not limited to ARM 37.40.345, 37.40.346, and 37.85.414. Reports will be requested on a semi-annual basis and as necessary.

Effective Date: The Department will consider wage increases and lump-sum payments made to direct care workers occurring after July 1, 2014 as meeting the legislative intent for this direct care worker funding. The Department will consider increases that occurred prior to July 1, 2014 **ONLY** for providers that distributed the FY2014 distribution in the form of a wage increase. Those agencies will have the opportunity to sustain this direct care wage funding in FY 2015, to the extent that they can provide the supporting documentation that the wages are continued/sustained in FY 2015.

Reporting Requirements: To the extent of available appropriations, the Department shall provide documentation that these funds are used solely for lump-sum distributions or wage increases to direct care workers. Providers must report lump-sum payment information to the Department on an annual basis for the period July 1, 2014-June 30, 2015. The report format will be provided by the Department.

Fund Recovery Recovery will occur if a provider is unable to provide the necessary documentation that the funds were distributed to qualified direct care workers as a lump-sum bonus or wage increase, or for related benefits.

Provider Certification and Agreement: By signing this request and in consideration for the payment of funds based upon this application, the Medicaid provider named below ("Provider") represents and agrees as follows:

1. Provider certifies that statements and information included in this agreement are complete, accurate and true to the best of the undersigned program manager’s knowledge. The Provider certifies that any funds received on the basis of this request will be used in the manner represented above to provide for Medicaid direct care worker lump-sum payments or wage increase.
2. Provider agrees to the terms and conditions under which this funding is made available, as stated in this form. Provider agrees that it will make, maintain and provide to authorize governmental entities and their agents, records and documentation in accordance with the requirements specified in this agreement.
3. Provider understands that payment of funds based upon this request will be from federal and state funds, and that any false claims, statement, or documents, or concealment of material fact, may be prosecuted under applicable federal or state laws. Provider understands that the payment made based upon this application is final, that no adjustments will be made in the payment amount to account for subsequent changes in utilization, appropriation amounts, or for any other purpose, except that amounts paid are subject to recovery in the same manner as other overpayments if the provider fails to maintain the required records or use the funds other than represented in this request.

Requesting Provider Identifying Information

Provider Name: _____

Signature of Program Manager: _____ **Date:** _____, 2014

Name of Program Manager (please print): _____

STREET ADDRESS _____ CITY/ZIP _____

CONTACT PERSON _____ EMAIL ADDRESS _____

PHONE _____

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**PART A: Spreadsheet Instructions
Complete Applicable Tabs of the Attached Excel Spreadsheet**

Refer to the attached excel spreadsheet. Part A(1) identifies the total lump-sum bonus distribution by direct care worker type and the total number of employees who will receive the bonus. Note that Part A (1) must be completed for lump-sum distributions made July 1, 2014-December 31, 2014 and Part A(2) must be completed for lump-sum distributions made January 1, 2015-June 30, 2015.

PART A (1) and PART A (2)

Timeframes for the two phases of distribution:

Part A (1): July 1, 2014-December 31, 2014

Part A(2): January 1, 2015-June 30, 2015

- Column A: Identify the total amount workers for each direct care worker type will receive as a lump-sum bonus for the time period indicated on the spreadsheet.
- Column B: Identify the total associated benefits that increase due to the lump-sum bonus distribution for each direct care worker type.
Note: Benefits are health insurance (cost not reimbursed by Dept.), FICA, pension, workers comp, unemployment, payroll taxes, etc. paid by the employer.
- Column C: Identify the total cost to the agency for distribution of lump-sum distribution for each direct care worker type (column A + column B).
- Column D: Indicate the number of employees (people) that will receive a portion of the lump-sum distribution for each worker type.
- Total Worker: Indicate the total number of unduplicated workers who will receive a portion of the lump-sum distribution by all worker types.

PART A (3)

Part A(3) must be completed by providers who plan to distribute the direct care worker allocation as a wage increase.

- Columns A: Identify the amount of hourly wage increase that will be paid to each worker for that service category (i.e. .75 for a 75 cent hourly increase).
- Column B: Identify the cost for associated benefits that will be incurred for distributing the wage increase to each worker (i.e. .25 for a 25 cent hourly benefit cost).
Note: Benefits are health insurance (cost not reimbursed by Dept.), FICA, pension, workers comp, unemployment, payroll taxes, etc. paid by the employer.
- Column C: Identify the total cost to the agency for the wage increase for every hour of service provided by a worker (column A + column B).
- Column D: Identify the total number of hours the service agency anticipates delivering for the period of time from the date the wage increase was implemented through June 30, 2015.
- Column E: Identify the total cost to the agency for distributing the wage increase (column C * column D).
- Column F: Indicate the number of employees (people) that will receive a wage increase for each worker type.
- Total Worker: Indicate the total number of unduplicated workers who will receive a wage increase by all worker types.

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PART B: AGENCY FORM

Please provide information on your agency's plan to distribute the direct care worker funding, notify employees, and track the funding. You may attach a separate document if you prefer. Be sure to address all three components.

- 1. Lump-Sum Distribution:** Describe how your agency plans to distribute the lump-sum bonus to direct care workers. Your plan must clearly describe who will be eligible for the bonus, how the bonus will be calculated, how it will be controlled, and how you will guarantee that all monies will be paid out.

1(a). I plan to use the same distribution methodology for part A(1) and part A(2): **Yes** **No**
If you answered “no” please describe both distribution plans in the space above.

1(b) Date that Part A(1) will be distributed (must be between 10/1/14-12/31/14): _____

1(c) Date that Part A(2) will be distributed (must be between 1/1/15-6/30/15): _____

1(d) Date that Part A(3) wage increase will begin (must be sometime after 7/1/15): _____
- 2. Employee Notification:** Describe how your agency plans to notify direct care workers about your plan to distribute the wage initiative funding. Include the language that will be used in the notification (or include a sample notification letter). The Department will not mediate between agencies and employees regarding this issue.
- 3. Monitoring Plan:** Provide a plan that describes how the lump-sum funding will be tracked to ensure that funding is used to provide a bonus or wage increase to direct care workers.

Don't Forget to include the two Supplemental Forms (Part C and Survey on Background Chcecks) with this Application!

**PLEASE RETURN THE SIGNED AND DATED
PROVIDER CERTIFICATION/AGREEMENT AND
COMPLETED APPLICATION: PART A(1) AND A(2) OR Part A(3), PART B AND PART C
BY OCTOBER 3, 2014 TO:**

SLTC -CSB - Direct Care Worker Funding
PO Box 4210
Helena MT 59604 - 4210